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**Testimony of  
Teresa C. Younger  
Executive Director  
The Permanent Commission on the Status of Women  
Before the  
Labor and Public Employees Committee  
March 11, 2014**

**Re: S.B. 249, AA Promoting Retirement Savings**

Senators Holder-Winfield and Markley, Representatives Tercyak and Smith, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding **S.B. 249, AA Promoting Retirement Savings**, which would create a state-administered retirement savings plan for low-income private sector workers.

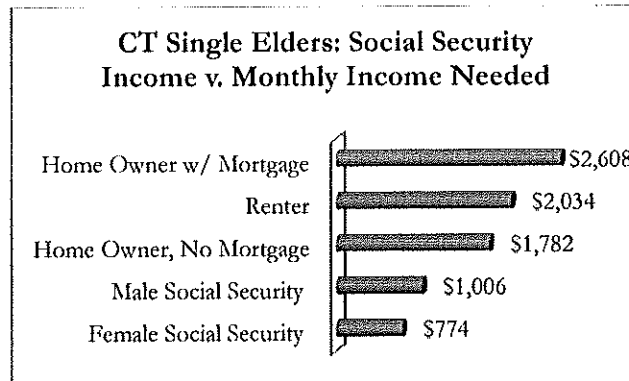
*Impact on CT Women:* The PCSW supports passage of S.B.249 because many women retire with insufficient income to sustain them during retirement. Twenty-five percent of women have neither retirement savings nor other savings, compared with 18% of men.<sup>i</sup> Elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.<sup>ii</sup>

Based on the Connecticut Elder Economic Security Standard Index (ESSI), 60% of women over the age of 65 lack the incomes to meet basic expenses. Older women of color are particularly at risk – 75% of Hispanic and 74% of African-American women have annual incomes that do not cover basic expenses.<sup>iii</sup>

Social Security is the *only* source of income for one out of five older adults in Connecticut and virtually the only source of income for 40% of older women in Connecticut.<sup>iv</sup> According to the Social Security Administration, the median number of years of covered earnings for women was 29 years versus 38 years for men, and the average monthly Social Security check received by women was \$774 per month versus \$1,006 for men.<sup>v</sup>

However, a single elder needs between \$1,700 and \$2,600 a month to cover basic expenses (housing, healthcare, transportation and food).<sup>vi</sup> An elderly couple receives an average monthly income of \$1780, but needs

between \$2,600 to \$3,500 a month to cover basic expenses.<sup>vii</sup>



Average Connecticut workers who save more than \$100 per month—\$118 for single workers and \$132 for couples—consistently during their careers greatly increase their ability to age in their homes and enjoy basic economic security in retirement.<sup>viii</sup>

Accessible and affordable asset building and retirement plan options are needed to ensure that elders can retire with adequate incomes to meet basic living expenses. We look forward to working with you to address this important issue. Thank you for your consideration.

<sup>i</sup> Employee Benefit Research Institute (2009): 2008 Retirement Confidence Survey.

<sup>ii</sup> U.S. Census Bureau (2010). American Fact Finder, 2010 Profiles of General Population and Housing Characteristics.

<sup>iii</sup> The Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women (2009). The Elder Security Initiative Program: The Elder Economic Security Standard Index for Connecticut. Prepared for the Permanent Commission on the Status of Women and the Connecticut Commission on Aging.

<sup>iv</sup> The Gerontology Institute, endnote 3.

<sup>v</sup> U.S. Department of Labor (2008): Women and Retirement Savings.

<sup>vi</sup> The Gerontology Institute, endnote 3.

<sup>vii</sup> The Gerontology Institute, endnote 3.

<sup>viii</sup> Wider Opportunities for Women (2012). The Basic Economic Security Tables™ Index (BEST) for Connecticut. Prepared for the Permanent Commission on the Status of Women